

DEPARTMENT OF PERSONNEL ADMINISTRATION**BENEFITS DIVISION**

1515 "S" STREET, NORTH BUILDING, SUITE 400
SACRAMENTO, CA 95811-7258



November 26, 2008

I am pleased to provide my audit findings, recommendations, and information regarding the current status of the State's Peace Officer/Firefighter (POFF) Retirement Plan. The intent of this audit is to:

1. Determine the number of Career Executive Assignment (CEA) and Exempt positions or individuals incorrectly placed in the POFF retirement plan.
2. Determine the number of new POFF positions that may be created due to the passage of Senate Bill 1496 that clarifies POFF retirement effective January 1, 2009.
3. Develop a database that identifies accurate retirement categories for State CEA and Exempt positions that can be regularly updated and audited to ensure we remain in compliance with the laws.

Although this audit report focuses on CEA and Exempt positions, I have also included POFF retirement enrollment information for Excluded, Management and Supervisory positions. This information will be beneficial when making determinations.

Summary of Findings

This audit provides the most current POFF retirement issues, enrollments, and findings. Over the past several years, a number of issues have been identified and are outlined in the introduction section of this audit report. I have included detailed retirement reports for each agency that will be provided to the individual agencies, State Controller's Office, and the California Public Employees' Retirement System. Sharing this audit report will ensure all POFF retirement enrollments are in agreement.

The results of this audit indicate the State's POFF retirement plan is in good standing. A total of 1035 CEA and Exempt positions were audited. There are currently 176 CEA and Exempt employees (83 positions) enrolled in POFF retirement. Out of 176 POFF enrollments, 10 employees (9 positions) are incorrectly placed in POFF retirement. These individuals will remain under POFF retirement until they separate from their positions, at which time the positions will revert to the miscellaneous retirement category. There will be 2 new employees (2 positions) eligible for POFF retirement effective January 1, 2009.

Please note that my findings reflect the new provisions under Senate Bill 1496, signed by the Governor on September 27, 2008, which will be effective January 1, 2009. I am pleased to report the number of employees incorrectly placed in POFF retirement is minimal. Also, the number of new positions created due to the passage of SB 1496 is minimal.

Future Audits

Now that I have identified the status of the State's POFF retirement enrollments, I will be working closely with SCO and CalPERS staff to ensure our POFF retirement records continue to remain in good standing. Audits will be conducted on a regular basis and documented.

Reports to the Legislature

As required by law, DPA will continue to provide the Legislature with an annual report of newly approved POFF positions. The report must be provided by July 1 of each year.

Desideria Rodrigues
Retirement Policy & Legislation

November 26, 2008

Summary of Audit Findings
Peace Officer/Firefighter Retirement Audit 2008
November 2008

Agency/Departments that employ POFF Members	Total Number of CEA & Exempt Employees	CEA & Exempts Employees in POFF retirement	Number of Employees to be Grandfathered	Number of New Employees to be added w/new statute eff. 1/1/2009
Alcohol Beverage Control	7	4	0	0
Consumer Affairs	57	2	0	0
Corporations	8	0	0	0
Corrections ¹	245	127 employees (40 positions)	6 employees (6 positions)	0
Developmental Services	48	1	0	0
Employment Development Department ²	54	0	0	1
Exposition	4	0	0	0
Fish and Game	35	1	0	0
Forestry & Fire Protection	28	15	0	0
Franchise Tax Board	43	1	0	0
Health Services	32	0	0	0
Horse Racing	2	0	0	0
Insurance	24	1	0	0
Justice	59	9 employees (8 positions)	4 employees (3 positions)	0
Lottery	20	1	0	0
Mental Health	51	0	0	0
Military Department	6	0		
Motor Vehicles	46	1	0	0
Museum of Science	6	0	0	0
Office of Emergency	16	0	0	0
Office of the Inspector General ³	12	8 employees (3 positions)	0	1
Parks	31	5	0	0
Public Employees' Retirement	37	0	0	0

Summary of Audit Findings
Peace Officer/Firefighter Retirement Audit 2008
November 2008

Agency/Department	Total Number of CEA & Exempt Employees	CEA & Exempts Employees in POFF retirement	Number of Employees to be Grandfathered	Number of New Employees to be added w/new statute eff. 1/1/2009
Public Health	39	0	0	0
Secretary of State	20	0	0	0
Social Services	42	0	0	0
State Controllers Office	22	0	0	0
Toxic Substance	18	0	0	0
Veterans Affairs	23	0	0	0
Final Results	1035	176 employees (83 positions)	10 employees (9 positions)	2 employees (2 positions)

1 CDCR's POFF enrollment will not change due to new legislation. New legislation will give DPA authority to allow eligible positions to remain in POFF and grandfather out positions erroneously placed in POFF retirement.

2 EDD recently hired their Chief, Investigations Division who will be eligible for POFF retirement effective 1/1/2009

3 OIG will have 1 new position of Chief Assistant Inspector General over audits & investigations over CDCR that will be eligible for POFF retirement effective 1/1/2009